

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name		County
Fiscal Year End	Opinion Date		Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).


YES  
NO

**Check each applicable box below.** (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature 	Printed Name		License Number	

# **Village of Sand Lake**

**Kent County, Michigan**

## **FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT**

**Year Ended March 31, 2007**

# Village of Sand Lake

Kent County, Michigan

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March 31, 2007

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# Village of Sand Lake

Kent County, Michigan

## Contents

March 31, 2007

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## INDEPENDENT AUDITORS' REPORT

To the Village Council  
Village of Sand Lake  
Kent County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of Village of Sand Lake as of and for the year ended March 31, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Village of Sand Lake management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

These financial statements present balances for the year ending March 31, 2006. These statements were audited by other auditors. We do not express an opinion on them.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the Village of Sand Lake as of March 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Sand Lake basic financial statements. The combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Byron Center, Michigan  
October 10, 2007

# Village of Sand Lake

Kent County, Michigan

Management Discussion and Analysis

For the year ended March 31, 2007

## Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide financial statements.

## The Village as a Whole

The Village's combined net assets decreased 29% from a year ago, decreasing from \$2,101,479 to \$1,491,466. This is due largely to a change in accounting for restricted assets.

Unrestricted net assets, the part of net assets that can be used to finance day to day operations, decreased by \$547,716 for the governmental activities. This represents a decrease approximately 136%. The current level of unrestricted net assets for our governmental activities stands at \$(143,682), or about (21)% of expenses. This is within the targeted range set by the Village Council during its last budget process.

	<u>Governmental Activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	2007	2006	2007	2006	2006	2006
Current assets	\$ 277,733	\$ 375,145	\$ 273,678	\$ 295,445	\$ 551,411	\$ 670,590
Noncurrent assets	258,026	765,574	1,377,817	1,411,871	1,635,843	2,177,445
<b>Total assets</b>	<b>535,759</b>	<b>1,140,719</b>	<b>1,651,495</b>	<b>1,707,316</b>	<b>2,187,254</b>	<b>2,848,035</b>
Long-term debt outstanding	450,000	480,000	207,415	213,415	657,415	693,415
Other liabilities	3,152	9,586	35,221	43,555	38,373	53,141
<b>Total liabilities</b>	<b>453,152</b>	<b>489,586</b>	<b>242,636</b>	<b>256,970</b>	<b>695,788</b>	<b>746,556</b>
Net assets						
Invested in capital assets - net of debt	258,026	285,574	1,170,402	1,411,871	1,428,428	1,697,445
Restricted	206,720	-	-	-	206,720	-
Unrestricted	(382,139)	365,559	238,457	38,475	(143,682)	404,034
<b>Total net assets</b>	<b>\$ 82,607</b>	<b>\$ 651,133</b>	<b>\$ 1,408,859</b>	<b>\$ 1,450,346</b>	<b>\$ 1,491,466</b>	<b>\$ 2,101,479</b>

# Village of Sand Lake

Kent County, Michigan

Management Discussion and Analysis

For the year ended March 31, 2007

	<u>Governmental Activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	2007	2006	2007	2006	2007	2007
<b><u>Program revenues</u></b>						
Charges for services	\$ 76,111	\$ 120,676	\$ 79,733	\$ 64,549	\$ 155,844	\$ 185,225
Operating grants and contributions	62,109	-	-	-	62,109	-
<b><u>General revenue</u></b>						
Property tax	212,346	145,635	-	-	212,346	145,635
State shared revenue	51,752	100,811	-	-	51,752	100,811
Unrestricted investment income	8,753	4,041	21,951	6,981	30,704	11,022
Miscellaneous	39,136	66,089	16,287	-	55,423	66,089
Interfund transfers	-	(6,550)	-	6,550	-	-
<b>Total revenues</b>	<b>450,207</b>	<b>430,702</b>	<b>117,971</b>	<b>78,080</b>	<b>568,178</b>	<b>508,782</b>
<b><u>Program expenses</u></b>						
General government	241,829	170,097	-	-	241,829	170,097
Public safety	164,372	109,139	-	-	164,372	109,139
Public works	90,901	118,727	-	-	90,901	118,727
Other functions	-	16,197	-	-	-	16,197
Sewer Fund	-	-	54,781	51,192	54,781	51,192
Water Fund	-	-	104,677	127,166	104,677	127,166
Depreciation	27,548	33,148	-	-	27,548	33,148
Interest on long-term debt	14,083	14,776	-	-	14,083	14,776
<b>Total expenses</b>	<b>538,733</b>	<b>462,084</b>	<b>159,458</b>	<b>178,358</b>	<b>698,191</b>	<b>640,442</b>
<b>Change in net assets</b>	<b>\$ (88,526)\$</b>	<b>(31,382)\$</b>	<b>(41,487)\$</b>	<b>(100,278)\$</b>	<b>(130,013)\$</b>	<b>(131,660)</b>

# Village of Sand Lake

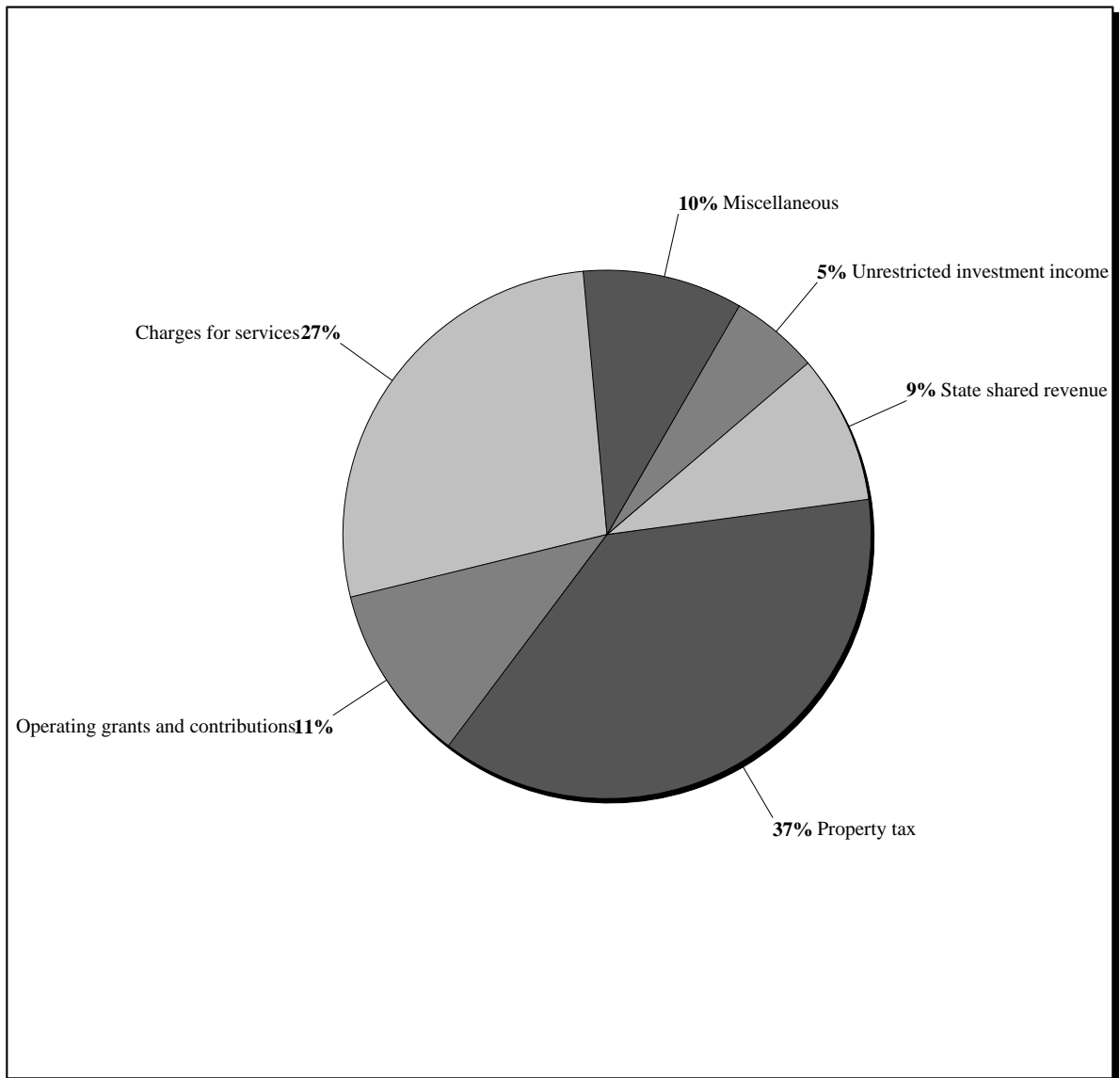
Kent County, Michigan

## Management Discussion and Analysis

For the year ended March 31, 2007

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The following chart illustrates the sources of the Village's revenue.

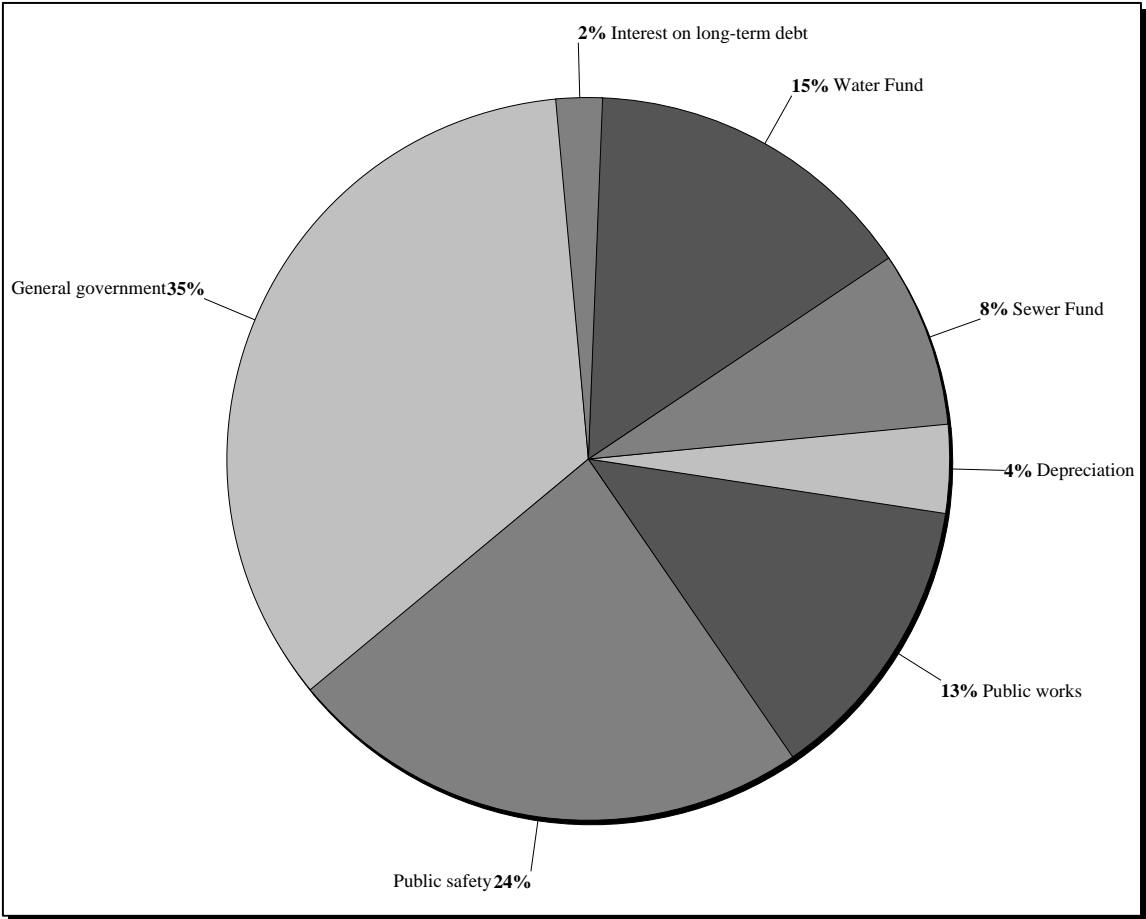




**Village of Sand Lake**  
**Kent County, Michigan**  
**Management Discussion and Analysis**  
**For the year ended March 31, 2007**

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The following chart illustrates the Village's expenses.



# Village of Sand Lake

Kent County, Michigan

## Management Discussion and Analysis

For the year ended March 31, 2007

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### The Village's Funds

Our presentation of the Village's major funds begins on page 14, following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Village as a whole. The Village Council creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The Village's major funds for 2007 were the General Fund and the Street Bond Debt Fund.

### The General Fund Budget

Total expenditures of the General Fund increased from last year because of increased spending on building and grounds.

### Capital Asset and Debt Administration

At the end of 2007, the Village had \$1,635,843, net of accumulated depreciation, invested in a broad range of capital assets, including buildings, police and fire equipment and water and sewer lines.

The following table shows the Village's capital assets compared to last year.

	<u>Governmental Activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	2007	2006	2007	2006	2007	2006
Land	\$ 10,000	\$ 10,000	\$ 101,249	\$ 101,249	\$ 111,249	\$ 111,249
Buildings	135,707	141,069	-	-	135,707	141,069
Equipment	26,650	31,650	-	-	26,650	31,650
Vehicles	85,669	102,855	-	-	85,669	102,855
Infrastructure	-	-	1,276,568	1,310,622	1,276,568	1,310,622
Total net assets	\$ 258,026	\$ 285,574	\$ 1,377,817	\$ 1,411,871	\$ 1,635,843	\$ 1,697,445

# **Village of Sand Lake**

**Kent County, Michigan**

**Management Discussion and Analysis**

**For the year ended March 31, 2007**

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## **Economic Factors and Next Year's Budgets and Rates**

The Village anticipates significant improvements will be made to the sewer system. The Village expects to incur long-term debt to finance these improvements.

## **Contacting the Village's Management**

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Village's Clerk at the Sand Lake Village Hall, 2 East Maple Street, Sand Lake, Michigan, 49343. The Village's phone number is (616) 636-8854.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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# Village of Sand Lake

Kent County, Michigan

## Statement of Net Assets

For the year ended March 31, 2007

	Governmental activities	Business type activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 246,983	\$ 209,925	\$ 456,908
Receivables (net)	30,750	63,753	94,503
Capital assets (net)	258,026	1,377,817	1,635,843
<b>TOTAL ASSETS</b>	<b>\$ 535,759</b>	<b>\$ 1,651,495</b>	<b>\$ 2,187,254</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 3,152	\$ -	\$ 3,152
Deferred revenue	-	35,221	35,221
Due within one year	30,000	10,700	40,700
Due in more than one year	420,000	196,715	616,715
<b>TOTAL LIABILITIES</b>	<b>453,152</b>	<b>242,636</b>	<b>695,788</b>
<b>NET ASSETS</b>			
Reserved for			
Streets and highways	106,737	-	106,737
Debt service	89,458	-	89,458
Capital projects	10,525	-	10,525
Invested in capital assets	258,026	1,170,402	1,428,428
Unreserved	(382,139)	238,457	(143,682)
<b>TOTAL NET ASSETS</b>	<b>82,607</b>	<b>1,408,859</b>	<b>1,491,466</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 535,759</b>	<b>\$ 1,651,495</b>	<b>\$ 2,187,254</b>

The Notes to the Financial Statements are an integral part of this statement.

# Village of Sand Lake

Kent County, Michigan

## Statement of Activities

For the year ended March 31, 2007

Functions/Programs	Expenses	Charges for services	Operating grants and contributions
<b><u>PRIMARY GOVERNMENT EXPENSES</u></b>			
General government	\$ 241,829	\$ -	\$ 2,915
Public safety	164,372	76,111	1,899
Public works	90,901	-	57,295
Depreciation	27,548	-	-
Interest on long-term debt	14,083	-	-
Total Governmental activities	538,733	76,111	62,109
<b><u>BUSINESS TYPE EXPENSES</u></b>			
Sewer	54,781	39,243	-
Water	104,677	40,490	-
Total Business type activities	159,458	79,733	-
Total Primary government	698,191	155,844	62,109

### General Revenues

Property taxes

State-shared revenue

Unrestricted investment income

Rent and contracts

Fines and forfeitures

Miscellaneous

Total general revenues - special items and transfers

Change in net assets

Net assets at beginning of year

Net assets at end of year

The Notes to the Financial Statements are an integral part of this statement.



Governmental activities	Business-type activities	Total
\$ (238,914)	\$ (238,914)	
(86,362)		(86,362)
(33,606)		(33,606)
(27,548)		(27,548)
(14,083)		(14,083)
(400,513)		(400,513)
	(15,538)	(15,538)
	(64,187)	(64,187)
	(79,725)	(79,725)
(400,513)	(79,725)	(480,238)
212,346	-	212,346
51,752	-	51,752
8,753	21,951	30,704
4,865	597	5,462
3,940	-	3,940
30,331	15,690	46,021
311,987	38,238	350,225
(88,526)	(41,487)	(130,013)
171,133	1,450,346	1,621,479
\$ 82,607	\$ 1,408,859	\$ 1,491,466

The Notes to the Financial Statements are an integral part of this statement.

# Village of Sand Lake

Kent County, Michigan

Governmental Funds

Balance Sheet

March 31, 2007

	General Fund	Street Bond Fund	Nonmajor Funds	Total
<b>ASSETS</b>				
Cash	\$ 49,538	\$ 83,243	\$ 114,203	\$ 246,984
Due from other units of government	19,825	6,215	4,711	30,751
<b>TOTAL ASSETS</b>	<b>\$ 69,363</b>	<b>\$ 89,458</b>	<b>\$ 118,914</b>	<b>\$ 277,735</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 1,500	\$ -	\$ 1,652	\$ 3,152
<b>TOTAL LIABILITIES</b>	<b>1,500</b>	<b>-</b>	<b>1,652</b>	<b>3,152</b>
<b>FUND BALANCES</b>				
Reserved for				
Debt service	-	89,458	-	89,458
Streets	-	-	106,737	106,737
Capital projects	-	-	10,525	10,525
Unreserved	67,863	-	-	67,863
<b>TOTAL FUND BALANCES</b>	<b>67,863</b>	<b>89,458</b>	<b>117,262</b>	<b>274,583</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 69,363</b>	<b>\$ 89,458</b>	<b>\$ 118,914</b>	<b>\$ 277,735</b>

The Notes to the Financial Statements are an integral part of this statement.



# Village of Sand Lake

Kent County, Michigan

## Reconciliation of Fund Balance of Governmental Funds to the Net Assets of Governmental Activities on the Statement of Net Assets

For the year ended March 31, 2007

Total fund balances - total governmental funds	\$	274,582
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Capital assets at cost	566,027
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Accumulated depreciation	(308,002)
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Net capital assets	258,025
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Balances at March 31, 2007 were:

Bonds payable	(450,000)
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Net assets of governmental activities	\$	82,607
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The Notes to the Financial Statements are an integral part of this statement.

# Village of Sand Lake

Kent County, Michigan

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

For the year ended March 31, 2007

	General Fund	Street Bond Fund	Nonmajor Funds	Total
<b>REVENUE</b>				
Property taxes	\$ 162,444	\$ 49,906	\$ -	\$ 212,350
State grants	51,752	-	57,297	109,049
Charges for services	79,026	-	-	79,026
Interest and rentals	8,921	-	4,696	13,617
Other revenue	30,623	-	6,531	37,154
<b>TOTAL REVENUE</b>	<b>332,766</b>	<b>49,906</b>	<b>68,524</b>	<b>451,196</b>
<b>EXPENDITURES</b>				
General government	220,972	-	-	220,972
Public safety	116,713	-	-	116,713
Public works	11,287	-	79,616	90,903
Other	20,858	-	-	20,858
Debt service	-	44,083	-	44,083
Capital projects	-	-	48,644	48,644
<b>TOTAL EXPENDITURES</b>	<b>369,830</b>	<b>44,083</b>	<b>128,260</b>	<b>542,173</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(37,064)</b>	<b>5,823</b>	<b>(59,736)</b>	<b>(90,977)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	13,168	13,168
Transfers out	(5,169)	-	(8,000)	(13,169)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(5,169)</b>	<b>-</b>	<b>5,168</b>	<b>(1)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(42,233)</b>	<b>5,823</b>	<b>(54,568)</b>	<b>(90,978)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>110,096</b>	<b>83,635</b>	<b>171,829</b>	<b>365,560</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 67,863</b>	<b>\$ 89,458</b>	<b>\$ 117,261</b>	<b>\$ 274,582</b>

The Notes to the Financial Statements are an integral part of this statement.

# Village of Sand Lake

Kent County, Michigan

## Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the year ended March 31, 2007

Net change in fund balances - total governmental funds	\$	(90,978)
Amounts reported for governmental activities in the statement of activities are different because:		
Repayment of long-term debt is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets		30,000
Some expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Depreciation		(27,548)
Change in net assets of government activities	\$	(88,526)

The Notes to the Financial Statements are an integral part of this statement.

# Village of Sand Lake

Kent County, Michigan

Proprietary Funds

Statement of Net Assets

March 31, 2007

	Sewer Fund	Water Fund	Total	Governmental activities - Internal Service Fund
<b>ASSETS</b>				
Current assets				
Cash	\$ 151,533	\$ 58,393	\$ 209,926	\$ 12,140
Accounts receivable	18,260	9,761	28,021	-
Special assessments receivable	800	34,421	35,221	-
Due from other units of government	511	-	511	-
<b>Total current assets</b>	<b>171,104</b>	<b>102,575</b>	<b>273,679</b>	<b>12,140</b>
Noncurrent assets				
Capital assets	635,392	742,425	1,377,817	27,659
<b>Total Noncurrent assets</b>	<b>635,392</b>	<b>742,425</b>	<b>1,377,817</b>	<b>27,659</b>
<b>TOTAL ASSETS</b>	<b>\$ 806,496</b>	<b>\$ 845,000</b>	<b>\$ 1,651,496</b>	<b>\$ 39,799</b>
<b>LIABILITIES AND NET ASSETS</b>				
Current liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 300
Deferred revenue	800	34,421	35,221	-
<b>Total current liabilities</b>	<b>800</b>	<b>34,421</b>	<b>35,221</b>	<b>300</b>
Long-term debt				
Bonds payable	-	174,000	174,000	-
Notes payable	-	33,415	33,415	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>207,415</b>	<b>207,415</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>800</b>	<b>241,836</b>	<b>242,636</b>	<b>300</b>
<b>NET ASSETS</b>				
Invested in capital assets - net of related debt	635,392	535,010	1,170,402	27,659
Undesignated	170,304	68,154	238,458	11,840
<b>TOTAL NET ASSETS</b>	<b>805,696</b>	<b>603,164</b>	<b>1,408,860</b>	<b>39,499</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 806,496</b>	<b>\$ 845,000</b>	<b>\$ 1,651,496</b>	<b>\$ 39,799</b>

The Notes to the Financial Statements are an integral part of this statement.

# Village of Sand Lake

Kent County, Michigan

Proprietary Funds

Statement of Revenue, Expenses and Changes in Net Assets

For the year ended March 31, 2007

	Sewer Fund	Water Fund	Total	Governmental activities - Internal Service Fund
<b><u>OPERATING REVENUE</u></b>				
Sales	\$ 39,243	\$ 40,490	\$ 79,733	\$ 12,145
<b><u>OPERATING EXPENSES</u></b>				
Personal services	7,201	19,428	26,629	-
Contractual services	28,038	16,539	44,577	-
Utilities	1,427	5,220	6,647	-
Repairs and maintenance	3,625	10,884	14,509	2,036
Other	1,268	10,765	12,033	79
Depreciation	13,221	33,740	46,961	1,148
<b>TOTAL OPERATING EXPENSES</b>	<b>54,780</b>	<b>96,576</b>	<b>151,356</b>	<b>3,263</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(15,537)</b>	<b>(56,086)</b>	<b>(71,623)</b>	<b>8,882</b>
<b><u>NONOPERATING REVENUE (EXPENSES)</u></b>				
Interest and dividends	13,261	8,690	21,951	1,798
Interest expense	-	(8,101)	(8,101)	(6,894)
Rent	-	597	597	-
Reimbursements	-	728	728	-
Other	3,876	11,086	14,962	-
<b>TOTAL NONOPERATING REVENUES (EXPENSE)</b>	<b>17,137</b>	<b>13,000</b>	<b>30,137</b>	<b>(5,096)</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,600</b>	<b>(43,086)</b>	<b>(41,486)</b>	<b>3,786</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>804,096</b>	<b>646,250</b>	<b>1,450,346</b>	<b>35,713</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 805,696</b>	<b>\$ 603,164</b>	<b>\$ 1,408,860</b>	<b>\$ 39,499</b>

The Notes to the Financial Statements are an integral part of this statement.

# Village of Sand Lake

Kent County, Michigan

Proprietary Funds

Statement of Cash Flows

For the year ended March 31, 2007

	Sewer Fund	Water Fund	Total	Governmental activities - Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 24,925	\$ 37,049	\$ 61,974	\$ 12,145
Payments to suppliers	(38,349)	(45,074)	(83,423)	(1,815)
Payments to employees	(7,201)	(19,428)	(26,629)	-
Collection of special assessments	-	809	809	-
Due from other funds	(1,777)	(456)	(2,233)	-
Net cash provided (used) by operating activities	(22,402)	(27,100)	(49,502)	10,330
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	-	(12,907)	(12,907)	-
Principal and interest paid on capital debt	-	(14,101)	(14,101)	(6,894)
Other receipts (payments)	3,876	12,514	16,390	-
Net cash provided (used) by capital and related financing activities	3,876	(14,494)	(10,618)	(6,894)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	13,261	8,690	21,951	1,798
Net increase (decrease) in cash and cash equivalents	(5,265)	(32,904)	(38,169)	5,234
Balances - beginning of year	156,798	91,297	248,095	6,906
Balances - end of year	\$ 151,533	\$ 58,393	\$ 209,926	\$ 12,140
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ (15,537)	\$ (56,086)	\$ (71,623)	\$ 8,882
Provided (used) by operating activities				
Depreciation expense	13,221	33,740	46,961	1,148
Receivables - net	(14,318)	(2,632)	(16,950)	-
Accounts and other payables	(5,768)	(2,122)	(7,890)	300
Net cash provided by operating activities	\$ (22,402)	\$ (27,100)	\$ (49,502)	\$ 10,330

The Notes to the Financial Statements are an integral part of this statement.

# Village of Sand Lake

Kent County, Michigan

Fiduciary Funds

Statement of Net Assets

For the year ended March 31, 2007

Agency Fund Type		
<b><u>ASSETS</u></b>		
Cash	\$	24,075
Due from other governmental units		5,281
Total Assets		29,356
<b><u>LIABILITIES</u></b>		
Fund equity - expendable		28,530
Fund equity - nonexpendable		826
Total Liabilities and Fund equity	\$	29,356

The Notes to the Financial Statements are an integral part of this statement.

## NOTES TO FINANCIAL STATEMENTS

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# Village of Sand Lake

Kent County, Michigan

Notes to Financial Statements

For the year ended March 31, 2007

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## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Village of Sand Lake conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Village of Sand Lake.

### **A. Reporting Entity**

The Village of Sand Lake was incorporated under the provisions of Act 8, P.A. 1895 as amended as a General Law Village. The Village operates under a President-Council form of government and provides the following services as authorized by its charter: public safety, public works, culture and recreation, public improvement, and general administration services.

### **B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

# Village of Sand Lake

Kent County, Michigan

## Notes to Financial Statements

For the year ended March 31, 2007

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### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The Village of Sand Lake's property tax is levied on each December 1 on the taxable valuation of property (as defined by State statutes) located in Village of Sand Lake as of the preceding December 31st.

The Village of Sand Lake's 2006 ad valorem tax is levied and collectible on July 1, 2006, and is recognized as revenue in the year ended March 31, 2007, when the proceeds of the levy are budgeted for the financing of operations.

The 2006 taxable valuation of Village of Sand Lake totaled \$10,152,007 on which ad valorem taxes levied consisted of the following:

	Mills levied	Raising
Operating	14.9198 \$	151,466
Paving	4.4326 \$	45,000

These amounts are recognized in the General Fund financial statements as tax revenue.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Street Bond Debt Fund accounts for property taxes to repay long term debt incurred to pave streets in the Village.

The government reports the following major proprietary funds:

The Water Fund and the Sewer Fund account for the activities of the water distribution system and sewage collection system.

# Village of Sand Lake

Kent County, Michigan

## Notes to Financial Statements

For the year ended March 31, 2007

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Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected to also follow private-sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. The water and sewer funds also recognize the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

### D. Assets, Liabilities, and Net Assets or Equity

**Bank Deposits and Investments**--Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

**Receivables and Payables**--In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

# Village of Sand Lake

Kent County, Michigan

## Notes to Financial Statements

For the year ended March 31, 2007

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**Inventories and Prepaid Items**--Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets**--Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	40 to 60 years
Building improvements	15 to 30 years
Water and Sewer Lines	50 to 75 years
Roads	40 years
Vehicles	3 to 5 years
Office equipment	5 to 7 years
Computer equipment	3 to 7 years

**Compensated Absences (Vacation and Sick Leave)**--It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All unused vacation and sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements.

**Long-Term Obligations**--In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

**Fund Equity**--In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**Comparative Data/Reclassifications**--Comparative total data for the prior year have been presented only for individual governmental funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

# **Village of Sand Lake**

**Kent County, Michigan**

**Notes to Financial Statements**

**For the year ended March 31, 2007**

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## **NOTE 2- STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information--Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.**

**The Village normally follows these procedures in establishing the budgetary data reflected in the financial statements:**

**The Village Administration submits to the Village Council a proposed operating budget for the fiscal year commencing the following April 1.**

**The operating budget includes proposed expenditures and the means of financing them.**

**A public hearing is conducted at the Village hall to obtain taxpayer comments.**

**The budget is legally adopted by ordinance before April 1.**

**All budget appropriations lapse at year end. Budgetary amounts reported herein are as originally adopted, or as amended by the Village Council throughout the operating year.**

**The Village adopts budgets for the General Fund and the Special Revenue Funds.**

**Budgets shown in the financial statements are adopted on a basis consistent with generally accepted accounting principles, and consist only of those amounts contained in the formal budget approved as amended by the Village Council.**

**The legal level of control is at the activity level of the General Fund, and at the fund expenditure totals for the and Special Revenue funds.**

**The Village Clerk is authorized to transfer budgeted amounts between accounts within the same department. Revisions that alter the total expenditures of any fund or total department expenditures must be approved by the Village Council.**

**The budget document presents information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level.**

**Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.**

# Village of Sand Lake

Kent County, Michigan

Notes to Financial Statements

For the year ended March 31, 2007

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## **NOTE 3 - DEPOSITS AND INVESTMENTS**

Michigan Compiled Laws, Section 129.91, authorizes Village of Sand Lake to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The investment policy adopted by the Council in accordance with Public Act 196 of 1997 has authorized investment in all of State statutory authority as listed above.

The Village's cash and investments are subject to several types of risk, which are examined in more detail below:

### **Custodial Credit Risk of Bank Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. At the year end, the Village had \$200,904 of bank deposits (money market, checking and savings accounts) that were uninsured and uncollateralized. The Village believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Village evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

# Village of Sand Lake

Kent County, Michigan

Notes to Financial Statements

For the year ended March 31, 2007

## NOTE 4 - CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

<b>Governmental Activities</b>	<b>Balance March 1, 2006</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance March 31, 2007</b>
Assets not being depreciated	\$ 10,000	\$	\$	\$ 10,000
Capital assets being depreciated:				
Buildings	214,464			214,464
Equipment	52,500			52,500
Vehicles	289,064			289,064
<b>Subtotal</b>	<b>556,028</b>			<b>556,028</b>
Accumulated depreciation:				
Buildings	73,395	5,362		78,757
Equipment	20,850	5,000		25,850
Vehicles	186,209	17,186		203,395
<b>Subtotal</b>	<b>280,454</b>	<b>27,548</b>		<b>308,002</b>
<b>Net capital assets being depreciated</b>	<b>275,574</b>	<b>(27,548)</b>		<b>248,026</b>
<b>Net capital assets</b>	<b>\$ 285,574</b>	<b>\$ (27,548)</b>	<b>\$</b>	<b>\$ 258,026</b>

<b>Business-Type Activities</b>	<b>Balance March 1, 2007</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance March 31, 2007</b>
Assets not being depreciated	\$ 101,249	\$	\$	\$ 101,249
Capital assets being depreciated:				
System	2,180,773	12,907		2,193,680
Accumulated depreciation:				
System	870,151	46,961		917,112
<b>Net capital assets being depreciated</b>	<b>1,310,622</b>	<b>(34,054)</b>		<b>1,276,568</b>
<b>Net capital assets</b>	<b>\$ 1,411,871</b>	<b>\$ (34,054)</b>	<b>\$</b>	<b>\$ 1,377,817</b>

# Village of Sand Lake

Kent County, Michigan

## Notes to Financial Statements

For the year ended March 31, 2007

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Depreciation expense was charged to programs of the primary government as follows:

**Governmental activities:**

Unallocated	\$	1,148
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**Business-Type activities:**

Sewer	\$	13,221
Water		33,740
<b>Total Business-Type activities</b>	<b>\$</b>	<b>46,961</b>

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## **NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Interfund Transfers**

	<u>Transfers Out</u>				
	Transfers In	General Fund	Major Streets Fund		Total
Street Bond Fund	\$	5,169	\$ -	\$	5,169
Local Streets Fund		-	8,000		8,000
<b>Total</b>	<b>\$</b>	<b>5,169</b>	<b>\$ 8,000</b>	<b>\$</b>	<b>13,169</b>

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# Village of Sand Lake

Kent County, Michigan

## Notes to Financial Statements

For the year ended March 31, 2007

### NOTE 6 - LONG-TERM DEBT

Bond and contractual obligation activity can be summarized as follows:

	Balance March 1, 2006	Additions	Reductions	Balance March 31, 2007	Due within one year
<b>Governmental activities</b>					
<b>General obligation bonds</b>					
2003 Road Construction Bonds	\$ 480,000	\$ -	\$ 30,000	\$ 450,000	\$ 30,000
<b>Business type activities</b>					
2003 Water Improvement Bonds	180,000	-	6,000	174,000	7,000
1st Street Voluntary Assessment	33,415	-	-	33,415	3,700
<b>Total Business type activities</b>	<b>213,415</b>	<b>-</b>	<b>6,000</b>	<b>207,415</b>	<b>10,700</b>
<b>Total Long-Term Debt</b>	<b>\$ 693,415</b>	<b>\$ -</b>	<b>\$ 36,000</b>	<b>\$ 657,415</b>	<b>\$ 40,700</b>

# Village of Sand Lake

Kent County, Michigan

## Notes to Financial Statements

For the year ended March 31, 2007

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Annual debt service requirements to maturity for the above obligation follows:

February 28		Principal		Interest		Total
2008	\$	40,700	\$	21,803	\$	62,503
2009		40,700		20,874		61,574
2010		40,700		19,778		60,478
2011		45,700		18,444		64,144
2012		45,700		17,037		62,737
2013		46,700		15,613		62,313
2014		51,700		14,099		65,799
2015		51,700		12,391		64,091
2016		51,815		10,562		62,377
2017		54,000		8,578		62,578
2018		54,000		6,595		60,595
2019		55,000		4,500		59,500
2020		10,000		3,182		13,182
2021		10,000		2,752		12,752
2022		11,000		2,300		13,300
2023		11,000		1,827		12,827
2024		12,000		1,332		13,332
2025		12,000		817		12,817
2026		13,000		280		13,280
Totals	\$	657,415	\$	182,764	\$	840,179

# Village of Sand Lake

Kent County, Michigan

Notes to Financial Statements

For the year ended March 31, 2007

## **NOTE 7 - SEGMENT INFORMATION**

The Village operates two funds which provide sewage and water services. Summary financial information for the sewer department is presented below:

### Condensed Statement of Net Assets

	Sewer Fund	Water Fund
<b>Assets</b>		
Current assets	\$ 171,104	\$ 102,575
Capital assets	635,392	742,425
<b>Total Assets</b>	<b>806,496</b>	<b>845,000</b>
<b>Liabilities</b>		
Current liabilities	800	34,421
Noncurrent liabilities	-	207,415
<b>Total Liabilities</b>	<b>800</b>	<b>241,836</b>
<b>Net Assets</b>		
Invested in capital assets	635,392	535,010
Unrestricted	170,304	68,154
<b>Total Net Assets</b>	<b>\$ 805,696</b>	<b>\$ 603,164</b>

# Village of Sand Lake

Kent County, Michigan

## Notes to Financial Statements

For the year ended March 31, 2007

### Condensed Statement of Revenue, Expenses, and Changes in Net Assets

	Sewer Fund	Water Fund
Sewer Charges	\$ 39,243	\$ 40,490
Depreciation	(13,221)	(33,740)
Other operating expenses	(41,559)	(62,836)
Operating income	(15,537)	(56,086)
Nonoperating revenue (expense)		
Investment earnings	13,261	8,690
Interest expense	-	(8,101)
Other	3,876	12,411
Total nonoperating revenue and expenses	17,137	13,000
Changes in net assets	1,600	(43,086)
Beginning net assets	804,096	646,250
Ending net assets	\$ 805,696	\$ 603,164

### Condensed Statement of Cash Flows

	Sewer Fund	Water Fund
Net cash provided by (used in)		
Operating activities	\$ (22,402)	\$ (27,100)
Capital and related financing activities	3,876	(14,494)
Investing activities	13,261	8,690
Net increase (decrease) in cash	(5,265)	(32,904)
Beginning cash and cash equivalents	100,984	91,297
Ending cash and cash equivalents	\$ 95,719	\$ 58,393

# **Village of Sand Lake**

**Kent County, Michigan**

**Notes to Financial Statements**

**For the year ended March 31, 2007**

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## **NOTE 8 - RISK MANAGEMENT**

Village of Sand Lake is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Village of Sand Lake obtains commercial insurance coverage through the Michigan Municipal League for all claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

## Required Supplemental Information

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# Village Of Sand Lake

Kent County, Michigan

General Fund

Balance Sheet

March 31, 2007

	2007	2006
<b>ASSETS</b>		
Cash	\$ 49,538	\$ 106,262
Due from other units of government	19,825	19,825
Due from other funds	-	5,608
<b>TOTAL ASSETS</b>	<b>\$ 69,363</b>	<b>\$ 131,695</b>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 1,500	\$ 6,590
Due to other funds	-	12,468
Due to other units of government	-	2,541
<b>TOTAL LIABILITIES</b>	<b>1,500</b>	<b>21,599</b>
<b>FUND BALANCES</b>		
Undesignated fund balance	67,863	110,096
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 69,363</b>	<b>\$ 131,695</b>

# Village Of Sand Lake

Kent County, Michigan

General Fund

Budgetary Comparison Schedule

For the year ended March 31, 2007

	Original budget	Final budget	Actual	Variance with final budget	2006
<b>REVENUES</b>					
Property Taxes					
Current real property taxes	\$ 143,000	\$ 143,000	\$ 160,271	\$ 17,271	\$ 143,426
Penalties and interest on taxes	-	-	-	-	274
Property tax administration fee	-	-	2,173	2,173	1,935
<b>Total Property Taxes</b>	<b>143,000</b>	<b>143,000</b>	<b>162,444</b>	<b>19,444</b>	<b>145,635</b>
State Grants					
State revenue sharing	49,000	49,000	51,752	2,752	52,790
Charges for Services					
Fees	-	-	-	-	12,400
Services rendered	72,604	72,604	77,251	4,647	71,804
Sales	1,000	1,000	1,775	775	1,690
<b>Total Charges for Services</b>	<b>73,604</b>	<b>73,604</b>	<b>79,026</b>	<b>5,422</b>	<b>85,894</b>
Interest and Rentals					
Interest and dividends	2,000	2,000	4,056	2,056	828
Rent	-	-	4,865	4,865	6,550
<b>Total Interest and Rentals</b>	<b>2,000</b>	<b>2,000</b>	<b>8,921</b>	<b>6,921</b>	<b>7,378</b>
Other Revenue					
Reimbursements	-	-	15,487	15,487	18,809
Other	25,000	25,000	15,136	(9,864)	12,599
<b>Total Other Revenue</b>	<b>25,000</b>	<b>25,000</b>	<b>30,623</b>	<b>5,623</b>	<b>31,408</b>
<b>TOTAL REVENUES</b>	<b>292,604</b>	<b>292,604</b>	<b>332,766</b>	<b>40,162</b>	<b>323,105</b>



# Village Of Sand Lake

Kent County, Michigan

General Fund

Budgetary Comparison Schedule

For the year ended March 31, 2007

	Original budget	Final budget	Actual	Variance with final budget	2006
<b>EXPENDITURES</b>					
General government					
Village Council	\$ 5,640	\$ 5,640	\$ 5,555	\$ 85	\$ 4,650
Administration	37,700	37,700	43,347	(5,647)	31,638
Clerk	24,255	24,255	28,462	(4,207)	24,526
Treasurer	8,950	8,950	10,746	(1,796)	8,604
Assessor	500	500	500	-	-
Buildings and grounds	73,000	105,466	122,167	(16,701)	86,828
Cemetery	8,700	8,700	10,195	(1,495)	9,418
<b>Total General government</b>	<b>158,745</b>	<b>191,211</b>	<b>220,972</b>	<b>(29,761)</b>	<b>165,664</b>
Public safety					
Police	46,162	46,162	41,721	4,441	48,787
Fire department	86,032	86,032	74,992	11,040	60,352
<b>Total Public safety</b>	<b>132,194</b>	<b>132,194</b>	<b>116,713</b>	<b>15,481</b>	<b>109,139</b>
Department of public works					
Street lighting	12,000	12,000	11,287	713	11,166
<b>Total Department of public works</b>	<b>12,000</b>	<b>12,000</b>	<b>11,287</b>	<b>713</b>	<b>11,166</b>
Other governmental functions					
Insurance	-	-	10,798	(10,798)	10,490
Social security	-	-	5,177	(5,177)	10,140
Unemployment insurance	-	-	4,883	(4,883)	-
<b>Total Other governmental functions</b>	<b>-</b>	<b>-</b>	<b>20,858</b>	<b>(20,858)</b>	<b>20,630</b>
<b>TOTAL EXPENDITURES</b>	<b>302,939</b>	<b>335,405</b>	<b>369,830</b>	<b>(34,425)</b>	<b>306,599</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(10,335)</b>	<b>(42,801)</b>	<b>(37,064)</b>	<b>5,737</b>	<b>16,506</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	-	-	(5,169)	(5,169)	(31,224)
<b>NET CHANGE IN FUND BALANCES</b>	<b>(10,335)</b>	<b>(42,801)</b>	<b>(42,233)</b>	<b>568</b>	<b>(14,718)</b>
Fund balance at beginning of year	110,096	110,096	110,096	-	124,814
<b>Fund balance at end of year</b>	<b>\$ 99,761</b>	<b>\$ 67,295</b>	<b>\$ 67,863</b>	<b>\$ 568</b>	<b>\$ 110,096</b>

# Village of Sand Lake

Kent County, Michigan

Street Bond Debt Service Fund

Balance Sheet

March 31, 2007

	2007	2006
<b><u>ASSETS</u></b>		
Cash	\$ 83,243	\$ 65,408
Due from other units of government	6,215	6,215
Due from other funds	-	12,012
<b>TOTAL ASSETS</b>	<b>\$ 89,458</b>	<b>\$ 83,635</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>		
<b>FUND BALANCES</b>		
Fund balance	\$ 89,458	\$ 83,635

# Village of Sand Lake

Kent County, Michigan

Street Bond Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

For the year ended March 31, 2007

	Original budget	Original and final budget	2007	Variance with final budget	2006
<b>REVENUE</b>					
Current real property taxes	\$ 40,000	\$ 40,000	\$ 49,906	\$ 9,906	\$ 49,422
<b>EXPENDITURES</b>					
Principal	25,000	25,000	30,000	(5,000)	25,000
Interest	7,273	7,273	14,083	(6,810)	14,776
<b>TOTAL EXPENDITURES</b>	<b>32,273</b>	<b>32,273</b>	<b>44,083</b>	<b>(11,810)</b>	<b>39,776</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>7,727</b>	<b>7,727</b>	<b>5,823</b>	<b>21,716</b>	<b>9,646</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	23,059
<b>NET CHANGE IN FUND BALANCES</b>	<b>7,727</b>	<b>7,727</b>	<b>5,823</b>	<b>21,716</b>	<b>32,705</b>
Fund balance beginning of year	83,635	83,635	83,635	-	50,930
Fund balance end of year	\$ 91,362	\$ 91,362	\$ 89,458	\$ 21,716	\$ 83,635

## Other Supplemental Information

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# Village of Sand Lake

Kent County, Michigan

Nonmajor Funds

Combining Balance Sheet

March 31, 2007

	Major Street Fund	Local Street Fund	Fire Fighting Apparatus Fund
<b><u>ASSETS</u></b>			
Cash	\$ 80,013	\$ 23,665	\$ 6,936
Due from other governmental units	3,690	1,021	-
<b>TOTAL ASSETS</b>	<b>\$ 83,703</b>	<b>\$ 24,686</b>	<b>\$ 6,936</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 1,652	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>1,652</b>	<b>-</b>	<b>-</b>
<b><u>FUND BALANCES</u></b>			
Reserved for			
Streets	82,051	24,686	-
Capital projects	-	-	6,936
<b>TOTAL FUND BALANCES</b>	<b>82,051</b>	<b>24,686</b>	<b>6,936</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 83,703</b>	<b>\$ 24,686</b>	<b>\$ 6,936</b>

Fire Vehicle Fund		Police Cruiser fund		Total
\$	1,842	\$	1,747	\$ 114,203
	-		-	4,711
\$	1,842	\$	1,747	\$ 118,914
\$	-	\$	-	\$ 1,652
	-		-	1,652
	-		-	106,737
	1,842		1,747	10,525
	1,842		1,747	117,262
\$	1,842	\$	1,747	\$ 118,914

# Village of Sand Lake

Kent County, Michigan

Nonmajor Funds

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the year ended March 31, 2007

	Major Street Fund	Local Street Fund	Fire Fighting Apparatus Fund
<b><u>REVENUE</u></b>			
Michigan transportation fund	\$ 44,568	\$ 12,729	\$ -
Interest and dividends	4,304	392	-
Other	-	98	1,818
<b>TOTAL REVENUE</b>	<b>48,872</b>	<b>13,219</b>	<b>1,818</b>
<b><u>EXPENDITURES</u></b>			
Public Works	30,774	48,842	-
Capital projects	-	-	984
<b>TOTAL EXPENDITURES</b>	<b>30,774</b>	<b>48,842</b>	<b>984</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>18,098</b>	<b>(35,623)</b>	<b>834</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	-	8,000	-
Transfers out	(8,000)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(8,000)</b>	<b>8,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>10,098</b>	<b>(27,623)</b>	<b>834</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>71,953</b>	<b>52,309</b>	<b>6,102</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 82,051</b>	<b>\$ 24,686</b>	<b>\$ 6,936</b>

	Fire Vehicle Fund	Police Cruiser fund	Total
\$	-	\$	-
	-	-	\$
	3,550	1,065	57,297
	3,550	1,065	4,696
			6,531
			68,524
	-	-	79,616
	47,660	-	48,644
	47,660	-	128,260
	(44,110)	1,065	(59,736)
	5,169	-	13,169
	-	-	(8,000)
	5,169	-	5,169
	(38,941)	1,065	(54,567)
	40,783	682	171,829
\$	1,842	\$	1,747
		\$	117,262



# Village of Sand Lake

Kent County, Michigan

Major Street Special Revenue Fund

Balance Sheet

March 31, 2007

	2007	2006
<b>ASSETS</b>		
Cash	\$ 80,013	\$ 36,881
Due from other units of government	3,690	37,008
<b>TOTAL ASSETS</b>	<b>\$ 83,703</b>	<b>\$ 73,889</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 1,652	\$ -
Due to other funds	-	1,936
<b>TOTAL LIABILITIES</b>	<b>1,652</b>	<b>1,936</b>
<b>FUND BALANCES</b>		
Reserved for streets	82,051	71,953
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 83,703</b>	<b>\$ 73,889</b>

# Village of Sand Lake

Kent County, Michigan

Major Street Special Revenue Fund

Statement of Revenue, Expenditures and Changes in Fund Balances

For the year ended March 31, 2007

	2007	2006
<b>REVENUE</b>		
Michigan transportation fund	\$ 44,568	\$ 37,009
Interest and dividends	4,304	808
<b>TOTAL REVENUE</b>	<b>48,872</b>	<b>37,817</b>
<b>EXPENDITURES</b>		
Traffic services	80	-
Winter maintenance	3,744	-
Administration and engineering	9,037	15,332
Maintenance of county roads	2,633	-
Miscellaneous	15,280	10,861
<b>TOTAL EXPENDITURES</b>	<b>30,774</b>	<b>26,193</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>18,098</b>	<b>11,624</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	(8,000)	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>10,098</b>	<b>11,624</b>
<b>Fund balance</b>	<b>71,953</b>	<b>60,329</b>
<b>Fund balance at end of year</b>	<b>\$ 82,051</b>	<b>\$ 71,953</b>

# Village of Sand Lake

Kent County, Michigan

Local Street Special Revenue Fund

Balance Sheet

March 31, 2007

	2007	2006
<b><u>ASSETS</u></b>		
Cash	\$ 23,665	\$ 42,654
Due from other units of government	1,021	11,013
<b>TOTAL ASSETS</b>	<b>\$ 24,686</b>	<b>\$ 53,667</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>		
<b><u>LIABILITIES</u></b>		
Due to other funds	\$ -	\$ 1,358
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>1,358</b>
<b><u>FUND BALANCES</u></b>		
Reserved for streets	24,686	52,309
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 24,686</b>	<b>\$ 53,667</b>

# Village of Sand Lake

Kent County, Michigan

Local Street Special Revenue Fund

Statement of Revenue, Expenditures and Changes in Fund Balances

For the year ended March 31, 2007

	2007	2006
<b>REVENUE</b>		
Michigan transportation fund	\$ 12,729	\$ 11,012
Interest and dividends	392	76
Other	98	-
<b>TOTAL REVENUE</b>	<b>13,219</b>	<b>11,088</b>
<b>EXPENDITURES</b>		
Street construction	33,788	2,263
Winter maintenance	2,456	-
Administration and engineering	687	2,395
Miscellaneous	11,911	6,254
<b>TOTAL EXPENDITURES</b>	<b>48,842</b>	<b>10,912</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(35,623)</b>	<b>176</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	8,000	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>(27,623)</b>	<b>176</b>
<b>Fund balance at beginning of year</b>	<b>52,309</b>	<b>52,133</b>
<b>Fund balance at end of year</b>	<b>\$ 24,686</b>	<b>\$ 52,309</b>

# Village of Sand Lake

Kent County, Michigan

Fire Fighting Apparatus Fund

Balance Sheet

March 31, 2007

	2007	2006
<b><u>ASSETS</u></b>		
Cash	\$ 6,936	\$ 6,102
<b><u>LIABILITIES AND FUND EQUITY</u></b>		
<b>FUND BALANCES</b>		
Fund balance	\$ 6,936	\$ 6,102

# Village of Sand Lake

Kent County, Michigan

Fire Fighting Apparatus Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

For the year ended March 31, 2007

	2007	2006
<b>REVENUE</b>		
Contributions from local units	\$ -	\$ 1,000
Contributions and donations	1,818	1,936
<b>TOTAL REVENUE</b>	<b>1,818</b>	<b>2,936</b>
<b>EXPENDITURES</b>		
Other	\$ 984	\$ -
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>834</b>	<b>2,936</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>834</b>	<b>2,936</b>
Fund balance beginning of year	6,102	3,166
Fund balance end of year	\$ 6,936	\$ 6,102

# Village of Sand Lake

Kent County, Michigan

Fire Vehicle Fund

Balance Sheet

March 31, 2007

	2007	2006
<b><u>ASSETS</u></b>		
Cash	\$ 1,842	\$ 40,783
<b><u>LIABILITIES AND FUND EQUITY</u></b>		
<b>FUND BALANCES</b>		
Fund balance	\$ 1,842	\$ 40,783

# Village of Sand Lake

Kent County, Michigan

Fire Vehicle Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

For the year ended March 31, 2007

	2007	2006
<b><u>REVENUE</u></b>		
Other	\$ 3,550	\$ 10,556
<b><u>EXPENDITURES</u></b>		
Repairs and maintenance	10,792	-
Other	36,868	14,000
<b><u>TOTAL EXPENDITURES</u></b>	<b>47,660</b>	<b>14,000</b>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u></b>	<b>(44,110)</b>	<b>(3,444)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>		
Transfers in	5,169	24,674
<b>NET CHANGE IN FUND BALANCES</b>	<b>(38,941)</b>	<b>21,230</b>
<b><u>Fund balance beginning of year</u></b>	<b>40,783</b>	<b>19,553</b>
<b><u>Fund balance end of year</u></b>	<b>\$ 1,842</b>	<b>\$ 40,783</b>



# Village of Sand Lake

Kent County, Michigan

Police Cruiser Capital Project Fund

Balance Sheet

March 31, 2007

	2007	2006
<b><u>ASSETS</u></b>		
Cash	\$ 1,747	\$ 682
<b><u>LIABILITIES AND FUND EQUITY</u></b>		
<b>FUND BALANCES</b>		
Fund balance	\$ 1,747	\$ 682

# Village of Sand Lake

Kent County, Michigan

Police Cruiser Capital Project Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

For the year ended March 31, 2007

	2007	2006
<b>REVENUE</b>		
Other	\$ 1,065	\$ -
<b>NET CHANGE IN FUND BALANCES</b>	1,065	-
<b>Fund balance beginning of year</b>	682	682
<b>Fund balance end of year</b>	\$ 1,747	\$ 682

## Long-term Debt Schedules

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# Village of Sand Lake

Village of Sand Lake

Schedule of Bonded Debt

\$525,000 Street Improvement Bonds, Series 2003 UTGO

March 31, 2007

Year ended	Interest Rate	June 1 Principal	June 1 Interest	December 1 Interest	Total
2008	1.850%	\$ 30,000	\$ 7,041	\$ 6,764	\$ 43,805
2009	1.850%	30,000	6,764	6,486	43,250
2010	2.950%	30,000	6,486	6,044	42,530
2011	2.950%	35,000	6,044	5,528	46,572
2012	2.950%	35,000	5,528	5,011	45,539
2013	2.950%	35,000	5,011	4,495	44,506
2014	2.950%	40,000	4,495	3,905	48,400
2015	3.550%	40,000	3,905	3,195	47,100
2016	3.550%	40,000	3,195	2,485	45,680
2017	3.550%	45,000	2,485	1,686	49,171
2018	3.550%	45,000	1,686	888	47,574
2019	3.550%	45,000	888	-	45,888
Totals		\$ 450,000	\$ 53,528	\$ 46,487	\$ 550,015

# Village of Sand Lake

Village of Sand Lake

Schedule of Bonded Debt

\$180,000 Water Improvement Bonds, Series 2003 UTGO

March 31, 2007

Year ended February 28,	Interest Rate	September 1 Principal	September 1 Interest	March 1 Interest	Total
2008	3.250%	\$ 7,000	\$ 3,389	\$ 3,276	\$ 13,665
2009	3.250%	7,000	3,276	3,162	13,438
2010	3.250%	7,000	3,162	3,048	13,210
2011	3.250%	7,000	3,048	2,934	12,982
2012	3.250%	7,000	2,934	2,821	12,755
2013	3.250%	8,000	2,821	2,691	13,512
2014	3.250%	8,000	2,691	2,561	13,252
2015	3.250%	8,000	2,561	2,430	12,991
2016	3.250%	8,000	2,430	2,300	12,730
2017	4.300%	9,000	2,300	2,107	13,407
2018	4.300%	9,000	2,107	1,914	13,021
2019	4.300%	10,000	1,914	1,698	13,612
2020	4.300%	10,000	1,698	1,484	13,182
2021	4.300%	10,000	1,484	1,268	12,752
2022	4.300%	11,000	1,268	1,032	13,300
2023	4.300%	11,000	1,032	795	12,827
2024	4.300%	12,000	795	537	13,332
2025	4.300%	12,000	537	280	12,817
2026	4.300%	13,000	280	-	13,280
<b>Totals</b>		<b>\$ 174,000</b>	<b>\$ 39,727</b>	<b>\$ 36,338</b>	<b>\$ 250,065</b>

# Village of Sand Lake

Village of Sand Lake

Schedule of Debt

\$33,415 Water Assessment

March 31, 2007

Year ended February 28,	Interest Rate	August 1 Principal	August 1 Interest	Total
2008	3.990%	\$ 3,700	\$ 1,333	\$ 5,033
2009	3.990%	3,700	1,186	4,886
2010	3.990%	3,700	1,038	4,738
2011	3.990%	3,700	890	4,590
2012	3.990%	3,700	743	4,443
2013	3.990%	3,700	595	4,295
2014	3.990%	3,700	447	4,147
2015	3.990%	3,700	300	4,000
2016	3.990%	3,815	152	3,967
<b>Totals</b>		<b>\$ 33,415</b>	<b>\$ 6,684</b>	<b>\$ 40,099</b>

## COMMUNICATION WITH AUDIT COMMITTEE OR ITS EQUIVALENT

To the Village Council  
Village of Sand Lake  
Kent County, Michigan

We have audited the general purpose financial statements of Village of Sand Lake, Kent County, Michigan for the year ended March 31, 2007, and have issued our report thereon dated October 10, 2007. Professional standards require that we provide you with the following information related to our audit.

### Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter dated May 20, 2007, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the general purpose financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

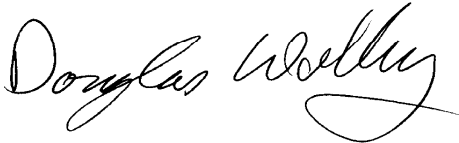
As part of our audit, we considered the internal control of Village of Sand Lake. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Village of Sand Lake's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

### Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Village of Sand Lake are described in Note 1 to the general purpose financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended March 31, 2007. We noted no transactions entered into by Village of Sand Lake during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

We encountered no significant difficulties in dealing with management in performing our audit.

This information is intended solely for the use of the Village Village Council and management of Village of Sand Lake and is not intended to be and should not be used by anyone other than these specified parties.



Douglas Wohlberg, CPA  
Byron Center, Michigan  
October 10, 2007

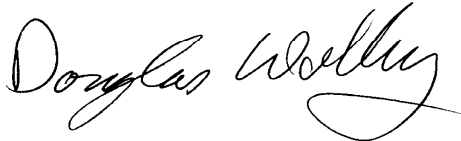
## MANAGEMENT COMMENTS LETTER

To the Village Council  
Village of Sand Lake  
Kent County, Michigan

In planning and performing our audit of the financial statements of Village of Sand Lake for the year ended March 31, 2007 we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated October 10, 2007 on the financial statements of Village of Sand Lake.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with Village personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations

A handwritten signature in black ink, reading "Douglas Wohlberg". The signature is fluid and cursive, with the first name "Douglas" and last name "Wohlberg" clearly distinguishable.

Douglas Wohlberg, CPA  
Byron Center, Michigan  
October 10, 2007



# **MANAGEMENT COMMENTS LETTER**

**To the Village Council  
Village of Sand Lake  
Kent County, Michigan**

**Page 2**

**Current comments and suggestions**

- 1. The Clerk did not reconcile the cash accounts to the bank statements in a timely manner each month. The Clerk should do this and reconcile all of the cash accounts with the Treasurer each month.**